Fiscal Year 2021–22

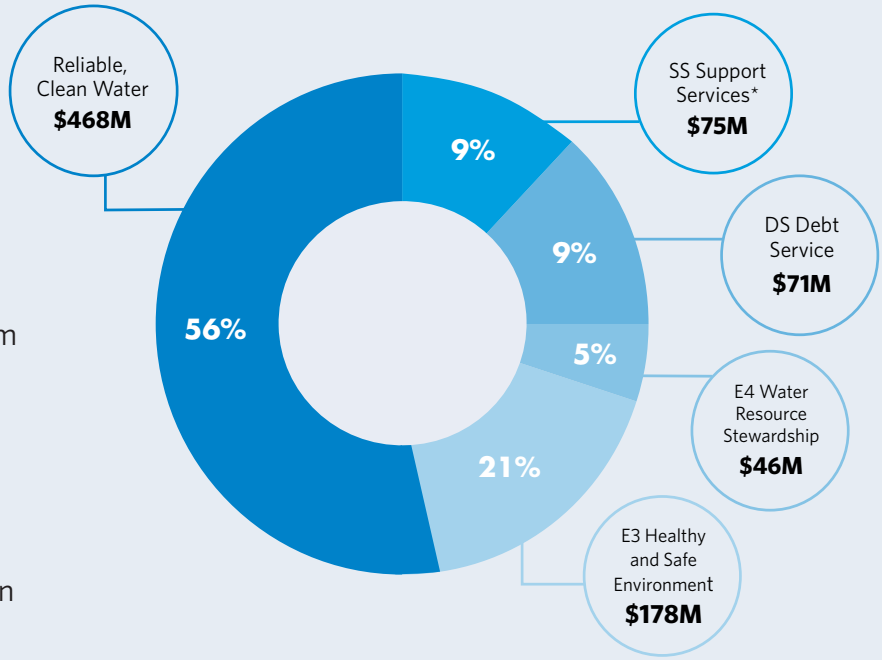
Budget in Brief

Valley Water



FY 2021–22 Adopted Budget of $838 million

Valley Water manages an integrated water resources system that includes the supply of safe, clean water, flood protection and stewardship of streams on behalf of Santa Clara County's 2 million residents. In May, the Board of Directors adopted an $838 million budget for Fiscal Year 2021-22 to provide these critical services.



*Support Services total is net of intra-district reimbursements. (e.g. overhead costs charged to projects for administrative support services such as human resource and information technology etc.)

Board Work Plan

As part of the annual budgeting process, the Board conducts planning sessions to develop strategies to accomplish Valley Water's long-term goals and objectives. This fiscally responsible and balanced budget meets the community's expectations of Valley Water and maintains a long-term outlook for major infrastructure investments. The budget was developed based on the FY 2021-22 Board Work Plan and will serve as a road map for the year ahead and guide the preparation of future budgets.



Valley Water Headquarters in spring.

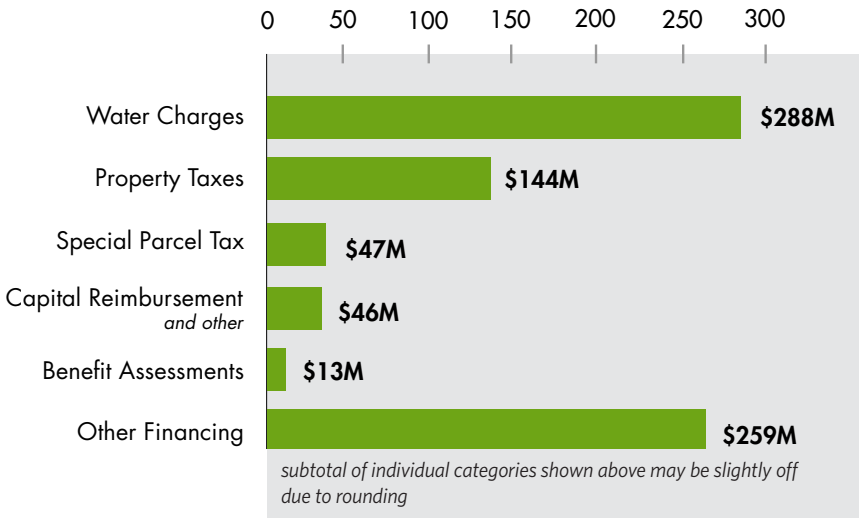
Balancing Act

New this fiscal year, Valley Water launched Balancing Act. The online budget simulation tool is a way for the public to learn about Valley Water revenue and spending and provide direct input to the Board of Directors on spending priorities. Balancing Act can be found at ***ValleyWater.abalancingact.com***.

Valley Water relies on a diverse array of funding sources

Valley Water receives funding from a variety of sources, including treated water, surface/recycled water and groundwater production charges; proceeds from property taxes; the Safe, Clean Water and Natural Flood Protection Program special parcel tax; benefit assessments; interest earnings; cost-sharing agreements and grants.

FY 2021-22 Adopted Revenue and Debt Financing of $798 million



subtotal of individual categories shown above may be slightly off due to rounding

Water Charges include charges for groundwater production, which is water produced by pumping from the underground basins; treated water, which has been processed through a water treatment plant; surface water, which has been diverted from streams, creeks, reservoirs, or raw water distribution lines; and recycled water, which is treated wastewater used in crop irrigation, landscaping and industrial uses.

Property Taxes comprised of an allocated share of countywide 1% property tax receipts and a voter-approved levy for State Water Project contract obligations.

Special Parcel Tax provides funding for the Safe, Clean Water and Natural Flood Protection Program, passed by voters in 2020.

Capital Reimbursements and other is primarily comprised of reimbursements from other agencies, grant revenue and interest earnings.

Benefit Assessments pay for debt services associated with flood protection projects and will continue until 2030.

Other Financing includes debt proceeds that provide upfront funding for the Capital Improvement Program (CIP).

Water Utility Projects

The Water Utility Enterprise is primarily responsible for providing a safe, clean and reliable water supply for current and future generations. A new era of investment in water infrastructure is needed across the nation. The Fiscal Year 2021-22 budget includes critical investments that well position the Water Utility Enterprise to help ensure water continues to flow to your tap now and in the future.

Anderson Seismic Retrofit and FERC Compliance Project(s)

This project will enhance seismic stability with Anderson Dam to ensure public safety, restore lost reservoir storage capacity, and comply with CA Department of Safety of Dams and Federal Energy Regulatory Commission (FERC) requirements for safe dam operations. The project also includes draining the reservoir to about 3% of its capacity and constructing a new, higher-capacity outlet tunnel that will allow us to release water more quickly during major storms or emergencies prior to the start of construction for the Seismic Retrofit Project.

Key deliverables: Implementing environmental/fish mitigation measures and beginning construction of new outlet tunnel.



Site of the Anderson Seismic Retrofit and FERC Compliance Projects.

Pacheco Reservoir Expansion

The proposed Pacheco Reservoir Expansion Project will enlarge the existing reservoir capacity from 5,500 acre-feet to up to 140,000 acre-feet by constructing a new dam.

Key deliverables: Complete 30% design and Planning Study Report, complete Alternative Assessment and Environmental Investigations, and prepare Draft Environmental Documents.



The location of the proposed Pacheco Reservoir Expansion Project.

10-Year Pipeline Inspection and Rehabilitation

This project secures the reliability and long-term operational capability of Valley Water's extensive large-diameter raw and treated water pipeline system. Selected segments of the system are identified annually for inspection and rehabilitation.

Key deliverables: Complete inspection and rehabilitation contract work on Santa Clara Conduit. Prepare plans and specifications for Almaden Valley Pipeline inspection and rehabilitation.



Crews working on the 10-Year Pipeline Inspection and Rehabilitation.

Indirect Potable Reuse (Purified Water Project)

This project will develop an advanced water purification center and conveyance of 10 million gallons per day of purified water to the Los Gatos Recharge System "to recharge local groundwater basins via a Public Private Partnership procurement effort. Project to convey advanced purified water to Valley Water's existing groundwater recharge ponds for indirect potable reuse, or to Valley Water's conventional surface water treatment plants for use as raw water augmentation (direct potable reuse).

Key deliverables: Complete negotiations with wastewater partners, develop Request for Proposal and complete EIR.



Potential site of the Indirect Potable Reuse (Purified Water Project).

Watersheds Projects

Watersheds Operations oversees five distinct watersheds in Santa Clara County and is responsible for the stream stewardship of these geographic areas, providing flood protection and mitigating environmental impacts while enhancing positive environmental aspects. Important activities funded by the FY 2021-22 budget include:

Lower Penitencia Creek & Lower Calera Creek Flood Protection projects

Both projects have completed the design phase and construction is slated to begin in summer 2021. Construction will last two years for each project. When complete, Valley Water will have constructed nearly 2.2 miles of flood improvement in the City of Milpitas covering Lower Penitencia Creek, Lower and Upper Berryessa Creek, and Lower Calera Creek. When the projects are completed, Valley Water will provide documentation to FEMA to update the flood insurance maps for the improved areas.



Site of the Lower Penitencia Creek & Lower Calera Creek Flood Protection Projects.

Upper Guadalupe River Reach 6 Gravel Augmentation Project

The federally authorized Upper Guadalupe River Flood Protection Project continues a Clean, Safe Creeks project in partnership with the U.S. Army Corps of Engineers to plan, design, and construct improvements along 5.5 miles of channel extending from Interstate 280 to Blossom Hill Road. As part of the larger project, the Reach 6 Gravel Augmentation Project will address gravel shortages, improve aquatic habitats, and improve channel stability in reach 6. The Upper Guadalupe River Reach 6 Gravel Augmentation Project has completed its design and advertisement package to begin construction in summer 2021.



Site of the Upper Guadalupe River Reach 6 Gravel Agmentation Project.

Coyote Creek Flood Protection Project & Flood Watch Website

The Coyote Creek Flood Protection Project will reduce the risk of flooding to communities adjacent to Coyote Creek from Montague Expressway to Tully Road. The project will protect against a future event similar to the February 2017 flood, which was the highest flood event observed since Anderson Dam was constructed in 1950. This project has recently progressed from planning to the design stage. To bolster Valley Water's flood protection goal, the new ALERT/Flood Monitoring website will consolidate several existing webpages which display recorded sensor data and flood stages as well as stream and reservoir forecasts. This new site was launched last winter and will continue testing in Fiscal Year 2021-2022. The public can access the beta site at **https://alert.valleywater.org/**.



Coyote Creek Flood Protection Project.

Other Flood Protection Projects

In June 2021, Watersheds completed construction of the Rancho San Antonio Park Flood Detention Facility, the final of three components of the Permanente Creek Flood Protection Project. Construction will begin on San Francisco Bay Shoreline Phase I to provide flood protection and tidal wetland restoration, the Piedmont Creek Wall Repair and Rehabilitation, and the Upper Llagas Phase 2A Flood Protection Project. Watersheds Operations & Maintenance will also complete the Lower Silver Creek downstream of Great Mall Parkway Erosion Repair Project and the San Tomas Aquino Creek from Great America Parkway to Tasman Drive Sediment Removal Project.



San Francisco Bay Shoreline.

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, email ***Budget@valleywater.org*** or **(408) 265-2600** or use our **Access Valley Water** customer request system at ***https://deliver.com/2yukx***.



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